TWDC/GOOGLE– DEAL FRAMEWORK

Prepared December 21, 2006 – CONFIDENTIAL

This document is provided to TWDC in response to the proposal submitted on Dec 15. All terms & conditions are subject to the parties mutually agreeing upon a definitive agreement.

Term: Three years (or more)
Territory: Worldwide
Platform: Online and Mobile

Access to TWDC content on Google/YouTube and TWDC sites

Content	Structure
▪ Full episodes available on TWDC properties	Google to aggressively promote and point traffic from YouTube to TWDC properties (using custom created clips, see below)
▪ All short videos (<5min) ▪ Full episodes not available on TWDC properties	Videos hosted on YouTube; Google and TWDC to explore monetization on YouTube

Linking to full episodes hosted on TWDC sites (e.g., Desperate Housewives on ABC.com): TWDC to provide at least 10 custom clips (per full episode, each 1 to 5 minutes in length) for hosting on YouTube, from which users can link to corresponding full shows on appropriate TWDC sites. Short videos will not be purely promotional in nature (i.e., not simply standard trailers). On each Playback page on YouTube from which short videos are made available, TWDC may include: (1) two URLs that can link, for example, to corresponding full shows on TWDC sites, and (2) TWDC branding.

YouTube hosting of other short-form videos and full episodes not hosted on TWDC sites:

- TWDC will allow YouTube to host all short-form video currently also being made available on any TWDC site (e.g., ESPN360, ABC News, etc). Playback pages on YouTube for every short video will include TWDC-designated URLs and branding.
- TWDC will create ~5,000 custom short videos (from existing TV shows, movies, sports events, etc.), with periodic refresh, for hosting and playback on YouTube. Playback pages on YouTube for every short video will include TWDC-designated URLs and branding, as desired by TWDC.
- Google will make available to TWDC tools that will allow TWDC to locate and "embrace" user-generated videos containing TWDC content (i.e., "Claim-your-Content" tools). Once embraced, these videos will be monetized and resulting revenues will be shared pursuant to the business model terms described below.

This proposal is non-binding and cannot be referenced by incorporation in any documentation. No agreement with respect to the subject matter of this proposal will be binding on Google unless and until both parties sign a definitive written agreement with respect thereto.

DATE: 5-6-09 EXHIBIT# 16
DEPONENT: SCHMIDT, E.
CASE: Viacom, et al., v. YouTube, et al., The Football Association Premier League, et al., v. YouTube, et al., Case Nos. 07-CV-2203 and 07-CV-3582
A. Ignacio Howard, CLR, RPR, CSR No. 9830

- To explore: TWDC to provide complete list of shows not available on any TWDC sites for possible hosting and monetization of full episodes on YouTube.

Business model:

- TWDC retains 100% of revenues generated from playbacks on its web sites (i.e., Google receives no referral fees from click-throughs, CPC or otherwise; and makes no click-through guarantees).
- For videos hosted on YouTube: TWDC sells advertising exclusively (as soon as YouTube is fully instrumented to allow for such partner sales into the YouTube advertising platform). Resulting revenues are shared 70% to TWDC, 30% to Google (both net of TWDC's agency costs (15%) and Google's operational costs (25%)).
- Sales shortfalls: In the event that TWDC's sales efforts with respect to advertising on YouTube fall below a mutually agreed upon minimum effective CPM, Google may sell this inventory through its automated, auction-based system in an unfettered fashion.

Promotion of TWDC videos:

- YouTube will create a TWDC-branded Channel Page on YouTube.
- YouTube will promote the availability of TWDC videos on YouTube:
  - (i) from both the YouTube home page and from video playback pages (with minimum guarantee of monthly promotional impressions to be mutually agreed upon);
  - (ii) through AdWords links (linking to YouTube).
- TWDC will promote the availability of TWDC videos on YouTube through on-air promotions valued at an equivalent value to Google's promotional commitments.
- Google to facilitate for TWDC discussions with appropriate Google team members responsible for search engine optimization tools of possible use to TWDC (e.g., Sitemaps, RSS feed ingestion). Search ranking, including OneBox, remains algorithmical only.
- Google to facilitate for TWDC discussions with the AdWords team to help TWDC optimize keyword purchases designed to drive traffic directly to TWDC web sites.

Video Content Syndication:

- Embedding: TWDC will allow all TWDC video content hosted on YouTube to be "embedded" on third-party sites (subject to the same ad revenue sharing terms outlined above).
- Superdistribution: Google and TWDC will work together in good faith on business terms that will allow Google to distribute TWDC video content through (approved) AdSense partner web sites and to provide an advertising revenue share to these partner web sites that will be sufficient to entice them to become superdistribution partners.
- For both options above: Google to explore the extent to which links back to TWDC sites can be accommodated in the chrome of distributed players.

This proposal is non-binding and cannot be referenced by incorporation in any documentation. No agreement with respect to the subject matter of this proposal will be binding on Google unless and until both parties sign a definitive written agreement with respect thereto.

Super-charged TWDC community platform "Powered by Google"

- As soon as commercially available, Google will provide various community feature tools to TWDC on a co-branded basis (using a "Powered by Google" credit). Tools to included, e.g., video uploader, embedded video player, mash-ups editing tools, video search, etc. User generated videos uploaded to any TDWC site via the Google-powered video uploader would also be available for playback on YouTube and would be indexed by Google in Video Search, with YouTube hosted videos being monetized and resulting revenues shared pursuant to the business model terms described above. License fees for these tools will be mutually agreed upon.

Integrated advertising relationship, leveraging TWDC sites and clients

TBD

Non-video & novel concepts

- TDWC web sites will join Google's AdSense program (expand current negotiations covering abcnews.com and espn.com).
- Google will buy a mutually agreed upon quantity of ad inventory on TWDC web sites on which it will place premium "click-to-play" video ads.
- Google's AdSense for Audio (i.e., radio advertising) and TWDC's radio networks will explore partnership opportunities (presuming the radio networks subscribe to Arbitron).
- Google and TWDC to explore building a "next generation" video news hub on YouTube (and potentially Google News), to include produced News video clips from ABC News combined with "citizen journalism" facilitated by Google's video tools and ABC News's editorial expertise.
- TDWC and Google to continue exploring (i) Google Checkout integration, (ii) video digitization, and (iii) Mash-ups (details below repeated from Google's term sheet of Nov 29).

Google Checkout integration	Google Checkout allows end-users to centralize their online purchases in a single Google account. This feature can be integrated with TWDC on three levels: 1. Standard integration Google will pay TWDC a (guaranteed) cash incentive for integrating & launching Google Checkout on all TWDC online retail sites (e.g. Disneyshopping.com) and shall offer additional cash incentives based on hitting

This proposal is non-binding and cannot be referenced by incorporation in any documentation. No agreement with respect to the subject matter of this proposal will be binding on Google unless and until both parties sign a definitive written agreement with respect thereto.

	certain sales milestones. 2. Checkout marketing programs Once implemented, Google will work with TWDC to develop marketing programs that will drive traffic to TWDC stores and include additional end-user spending incentives (provided by Google). 3. TWDC meta-store After launching Google Checkout on TWDC websites, Google will work with TWDC as a pilot in the development of an online meta-store for (branded) premium partners. Google can build a Disney-branded meta-store that aggregates all online retailers of Disney merchandise. This will strengthen the TWDC brand and improve the online shopping and overall experience for TWDC customers.
Digitization of archives	Google will digitize a significant part of the TWDC archives within a certain vertical (e.g., *Peter Jennings*, *Americas Funniest Home Videos*) and help promote & monetize its online presence. Furthermore, Google will apply its newest search technology (e.g. speech-to-text indexing) to this content in order to optimize if for search.
Video mash-up	TWDC will be a Pilot partner for Google Video/YouTube editing tools. Targeted at the younger demographic, it leverages TWDC content to allow the end-user to create and publish new content. TWDC would fully participate in the monetization of any new videos created by these editing tools.

This proposal is non-binding and cannot be referenced by incorporation in any documentation. No agreement with respect to the subject matter of this proposal will be binding on Google unless and until both parties sign a definitive written agreement with respect thereto.

Other

- Google to facilitate for TWDC discussions with Google's legal team on various legal issues raised by TWDC, and will ensure that TWDC is provided access to Google's most up-to-date, automated take-down tools (i.e., electronic DMCA).
- Google shall provide TWDC with tools that enable TWDC to run metadata searches (of its choice) across YouTube and either trigger a takedown or embrace (see above, Claim your Content). Google shall, on behalf of TWDC, pay an audio fingerprint vendor to create an audio fingerprint corresponding to each item of Claimed Content. Videos subsequently uploaded shall be compared against all fingerprints and either be removed or tagged as Claimed Content.

This proposal is non-binding and cannot be referenced by incorporation in any documentation. No agreement with respect to the subject matter of this proposal will be binding on Google unless and until both parties sign a definitive written agreement with respect thereto.